



Cornell University
ILR School

Cornell University ILR School
DigitalCommons@ILR

Federal Publications

Key Workplace Documents

June 1993

Competitiveness & Worker-Management Relations: A Review of Selected Recent Studies

Warren E. Farb

Economics and Statistics Administration, U.S. Department of Commerce

Follow this and additional works at: https://digitalcommons.ilr.cornell.edu/key_workplace

Thank you for downloading an article from DigitalCommons@ILR.

Support this valuable resource today!

This Report is brought to you for free and open access by the Key Workplace Documents at DigitalCommons@ILR. It has been accepted for inclusion in Federal Publications by an authorized administrator of DigitalCommons@ILR. For more information, please contact catherwood-dig@cornell.edu.

If you have a disability and are having trouble accessing information on this website or need materials in an alternate format, contact web-accessibility@cornell.edu for assistance.

Competitiveness & Worker-Management Relations: A Review of Selected Recent Studies

Comments

Report Submitted to the Commission on the Future of Worker-Management Relations

Incorrect date listed on document.

Suggested Citation

Farb, W. E. (1993). *Competitiveness & worker-management relations: A review of selected recent studies* (Report submitted to the Commission on the Future of Worker-Management Relations). Retrieved [insert date], from Cornell University, School of Industrial and Labor Relations site:
http://digitalcommons.ilr.cornell.edu/key_workplace/433

HBT TOPICS
"Future Worker-Management"

June 21, 1992

Competitiveness & Worker- Management Relations

A Review of Selected Recent Studies

Property of
MARTIN P. CATHERWOOD LIBRARY
NEW YORK STATE SCHOOL
INDUSTRIAL AND LABOR RELATIONS
Cornell University

Warren E. Farb

Economics and Statistics Administration
U.S. Department of Commerce

Purpose of Briefing

Relate recent work on competitiveness issues to worker-management relations.

- 3 of 18 Council on Competitiveness/Harvard Business School Project papers are reviewed
 - International Differences in Labor Turnover (Blinder and Krueger)
 - Human Resource Development and Utilization (Kochan and Osterman)
 - Capabilities and Capital Investment: New Perspectives on Capital Budgeting (Baldwin and Clark)
- Second Annual Report of the Competitiveness Policy Council
- Other studies reach similar conclusions

Findings

Human resource management and enhanced worker participation are increasingly critical elements of competitiveness

Worker-Management relations are affected by all competitive forces, but most directly by:

- Education and Training
- Investment
- Workplace organization
- Compensation

Worker-Management relations are determined by the private sector but influenced by public policy and economic conditions

Council/Harvard Study Highlights

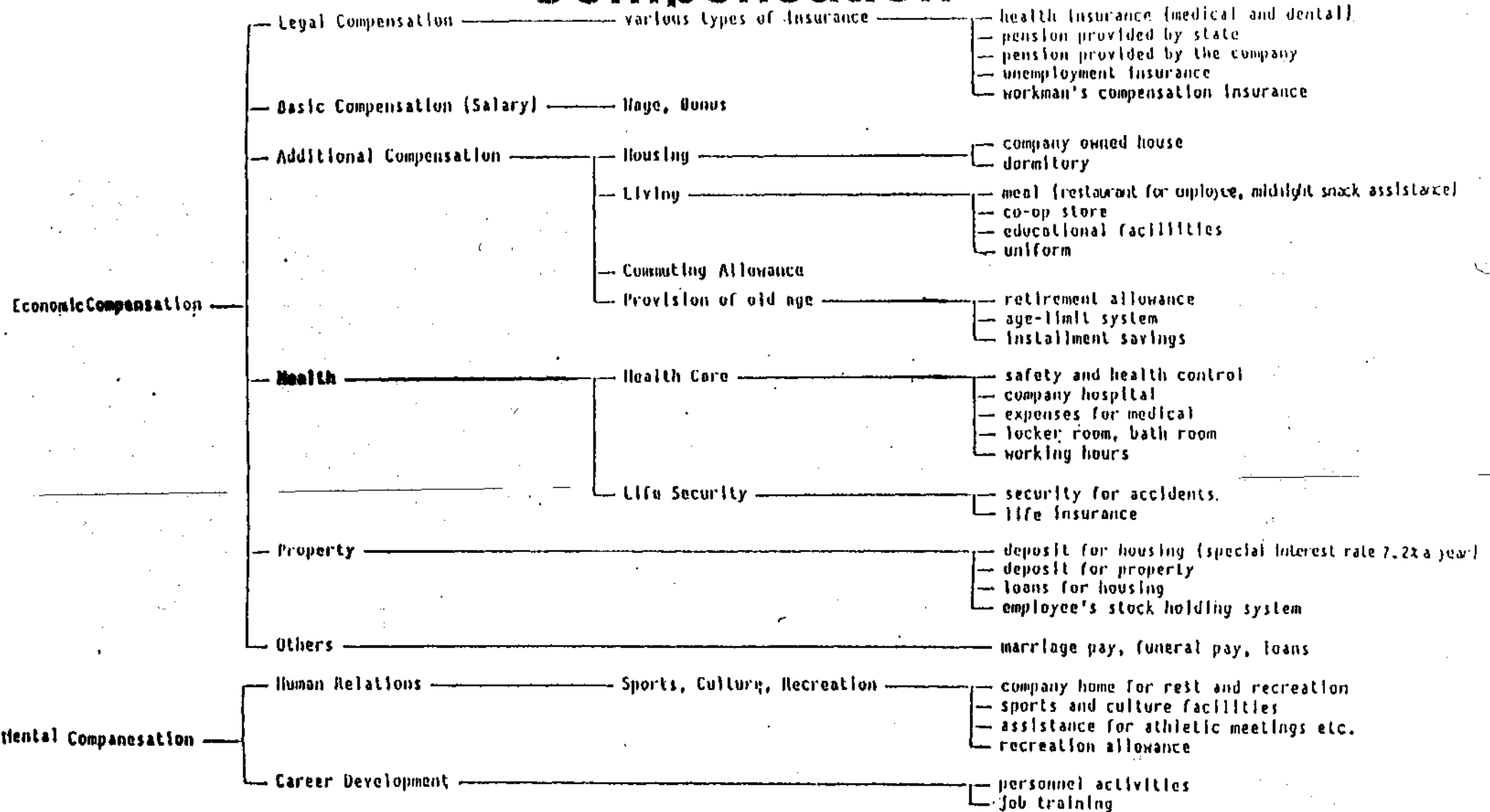
Divergence of Interests

- The U.S. system creates a divergence of interests among shareholders, lenders, investment managers, corporate directors, corporate managers, and employees.
- Foreign systems are different, but not necessarily better or worse
- Need to learn from others where appropriate
- American system can benefit from small changes—not wholesale adoption of the way others behave

Focus on investment—tangible & intangible

- Plant and Equipment
- Human resources
- Research and Development
- Education

Compensation



Alternate Human Resource System

	Traditional	Transformed
<i>Workplace Level</i>		
Job Design	Narrow	Broad
Job Assignment	Single Job	Job Rotation
Work Organization	Individual Jobs	Teamwork
Training	Job Specific	Broad Skills
Career Progression	Seniority Based	Competency Based
Supervision	First Line Management	Team Leader
Quality Control	Specialized Function	Team Function
Participation	Grievance Procedure	Employee Involvement
<i>Personnel Policy Level</i>		
Pay Criteria	External Comparison	Individual Performance
Staffing	Layoffs	Continuity Commitment
Training & Development	Limited	Major Commitment

Building Capabilities

Organizational Capability \Rightarrow Competitive Asset

Internal Integration \Rightarrow Speed and Productivity

External Integration \Rightarrow Quality

Flexibility \Rightarrow Variety & Responsiveness

Capacity to Experiment \Rightarrow Incremental Innovation

Capacity to Cannibalize \Rightarrow Radical Innovation

Competitiveness Policy Council

High-performance workplaces

- Improved skills and work organization cannot be separated
- Individuals, firms, union, and government must work together
- Create environment of life long learning and constant improvement
- Find synergy between government resources and private initiative

Standards based school systems

- Curricula relevant for tomorrow's job market
- School to work transition
- Individualized student incentives